

Atlanta XXV Executive Seminar:

Panel 3 - Public/Private Enterprise

LTG Paul J. Kern

Director, Army Acquisition Corps

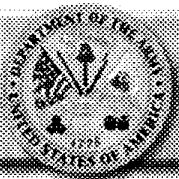
21 April 1999



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Atlanta XXV Panel Members

LTG Paul J. Kern

Director Army Acquisition Corps

BG George A. Landis

***US Army (Ret.), Vice President and
Deputy, Product Support Division
Raytheon Systems Company***

Mr. Fred Strader

***Vice President and General Manager,
United Defense Armament Systems
Division***

COL Gregory F. Potts

Commander, Anniston Army Depot

Mr. Jerry DeMuro

***Vice President and General Manager,
Communication Systems Division,
GTE Government Systems Corp.***

Mr. Dan Gans

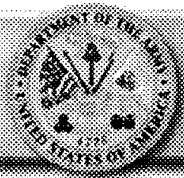
***Military Legislative Assistant to
Representative Riley, Alabama***



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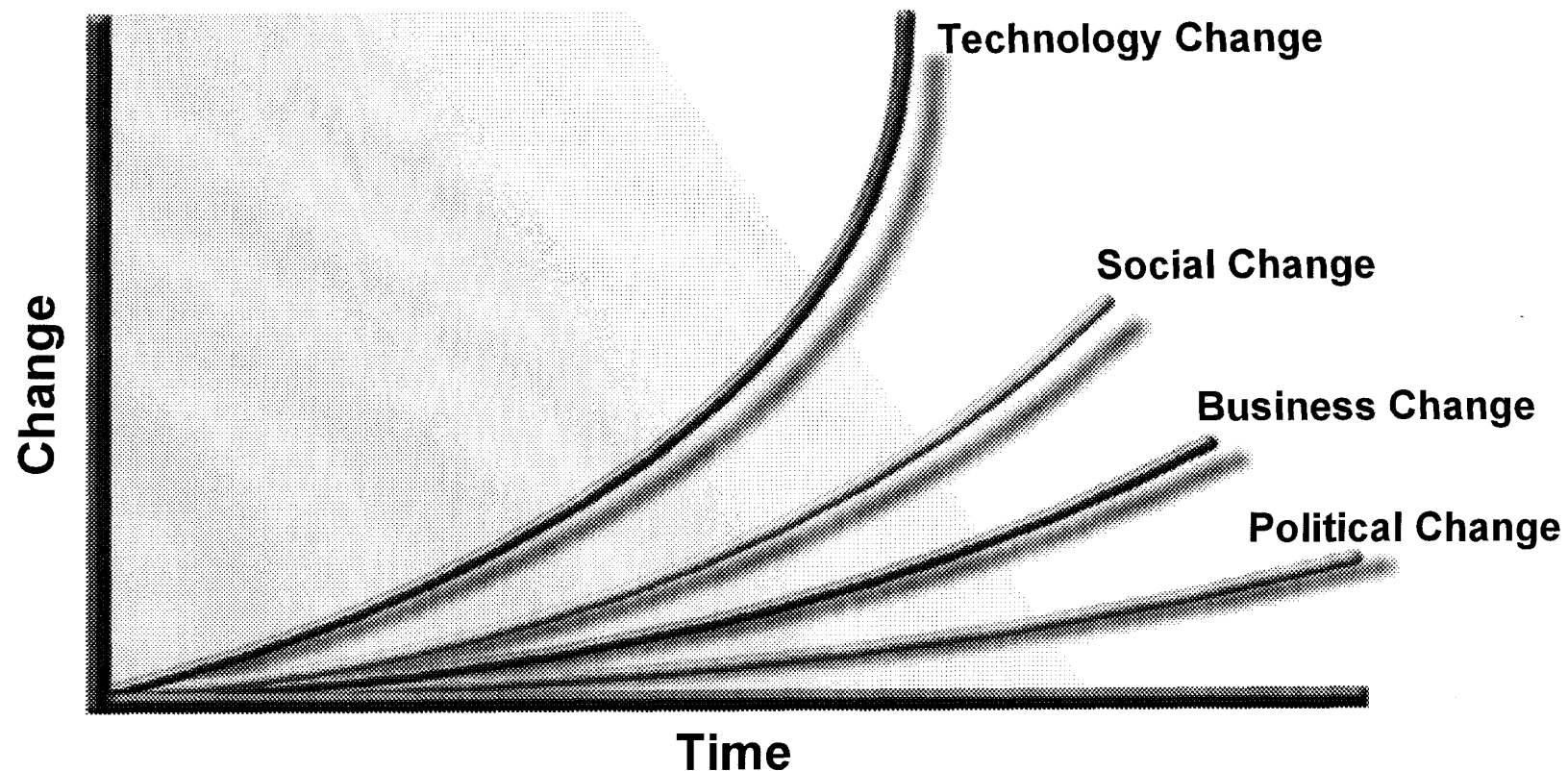
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The Law of Disruption

Law of Disruption = Combination of Moore's and Metcalfe's Laws



***Social, Political and Economic Systems Change Incrementally, but
Technology Changes Exponentially!***

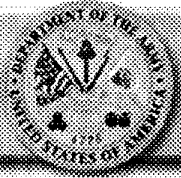


From the book "Unleashing the Killer App" by Larry Downes/Chunka Mui

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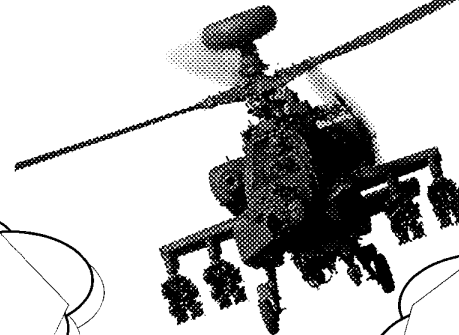
Apache Prime Vendor Support

- Prime Vendor Support
 - Unsolicited Proposal - April 97
 - Contract Negotiation Completed - May 98
 - Revamps Current Logistic System - Takes Advantage of Best Commercial Practices & Performance Guarantees
- Apache Prime Vendor Support Provides:
 - Depot Level Maintenance
 - Wholesale Logistics Support
 - Increased Technical Support

Modernization Thru Replacement Parts

Use of Best Commercial Business Practices

Technology Insertion Funded Thru Operational & Support Costs



Significant O&S Cost Savings

Improved System Readiness Thru Increased Availability of Spare Parts

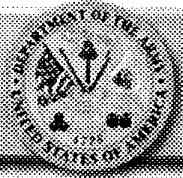
Status: Still Working Regulatory (A-76) Issues (Financial, and Political Issues)



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What is Apache Prime Vendor Support

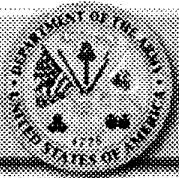
- Apache Prime Vendor Support (PVS) is a Type of **Contractor Logistics Support (CLS)** That Assigns (“Nose to Tail”) **Wholesale Logistics Support** of the Helicopter to Private Contractor(s), i.e., Boeing and Lockheed Martin
- It is Intended to **Revamp the Current Apache Logistics System** by Taking Advantage of Best Commercial Practices, Performance Guarantees, and Incentivizing the Contractor to Sell us Reliable Parts Rather Than Spares
- We Expect PVS to **Improve System Readiness** Through the Increased Availability of Spare Parts and **Yield Significant O&S Savings** That can be Used to Modernize the Aircraft



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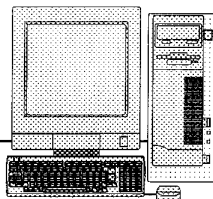


Wholesale Logistics Modernization Program

Tier II of GCSS-Army

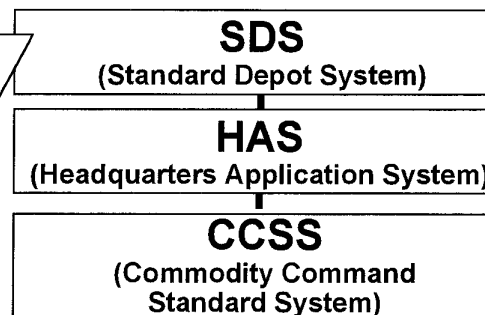
CSA Direction

Implement Global Combat Support System - Army



- Outdated
- Unresponsive (Batch, Not On-Line System)
- 25 Year Old Technology
- Process is 30 Years Old

Current Major Army Info Systems



Three Tiers :

- Retail Log Integration
- Wholesale-Retail Integration
- Joint Interoperability

Depot Operations

Workloading

Wholesale Inventory

GOAL: Modernize Wholesale Logistics Operations/ Systems

Modernization Approach

- Leverage Private Sector
- Adopt Best Commercial Practice
- Use Modern Commercial Info Technology
- Use Continuous Technology Insertion/ Commercial IT Services

CRITICAL ON-GOING ACTIONS

- *A- 76 Waiver Pending Approval*
- *RFP - Ready for Release*
- *RFP + 10 months = Contract Award*



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